

Message Text

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13

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 AGR-05 INSE-00 VO-03 SCA-01

TRSE-00 CAB-02 CIAE-00 COME-00 DODE-00 DOTE-00 INR-05

NSAE-00 RSC-01 FAA-00 L-02 IO-10 /049 W

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R 292215Z NOV 74

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 5084

LIMITED OFFICIAL USE OTTAWA 3878

E.O. 11652: N/A

TAGSC EAIR, CA

SUBJECT: CIVAIR - PRECLEARANCE

REF: STATE 241033

1. ON NOVEMBER 4 EMBASSY RELAYED CONTENTS OF REFTEL TO GOC BY MEANS OF LETTER FROM EMBASSY TCO TO FULFORD, DIRECTOR, EXTAFF'S TANSPORTATION, COMMUNICATIONS AND ENERGY DIVISION. FULFORD HAS REPLIED IN LETTER DATED NOVEMBER 26 WHICH (A) EXPRESSES PLEASURE AT PROGRESS BEING MADE ON PRECLEARANCE, (B) RAISES ISSUE OF INTERPRETATION OF "NORMAL" COSTS AS IT RELATES TO PRECLEARANCE CHARGES, (C) EXPRESSES CONCERN AT THREAT BY U.S. CUSTOMS "TO PRECLUDE PRECLEARANCE DURING THENORMAL PERIOD OF AIR CANADA'S APPROVED SCHEDULES", AND (D) CLARIFIES THE SITUATION WITH RESPECT TO RELOCATION COSTS AT DORVAL.

2. MOST IMMEDIATE ISSUES IS (C) ABOVE. FULFORD ENCLOSURES COPIES OF SEVERAL PIECES OF CORRESPONDENCE, INCLUDING:

A. LETTER DATED NOVEMBER 7 FROM WILLIAM J GRIFFIN, REGIONAL COMMISSIONER, US CUSTOMS SERVICE, BOSTON, MASS TO YVES PRATT, PRESIDENT (SIC-PRATTE WITH AN "E" LIMITED OFFICIAL USE

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IS CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICE),

AIR CANADA DEMANDING PAYMENT OF BILLS FOR OVERTIME SERVICES TOTALING \$203,140.04 AND STATING THAT "UNLESS WE RECEIVE PAYMENT OF THESE AMENDED BILLS EITHER FROM YOUR OR YOUR SURETY, WE WILL DENY ANY REQUESTS FOR OVERTIME SERVICES ON WEEKDAYS AT BOTH TORONTO AND MONTREAL EFFECTIVE THE CLOSE OF BUSINESS FRIDAY, DECEMBER 13, 1974."

B. LETTER ALSO DATED NOVEMBER 7 FROM REGIONAL COMMISSIONER GRIFFIN TO CONTINENTAL INSURANCE COMPANY, 80 MAIDEN LANE, NEW YORK, REFERRING TO THE AMOUNT OWED BY AIR CANADA AND STATING: "OUR RECORDS INDICATE THAT YOU ARE THE SURETY AND CO-PRINCIPAL FOR THESE DEBTS. AS YOU ARE JOINTLY LIABLE, WE EXPECT IMMEDIATE PAYMENT FROM YOU IN THE AMOUNT OF \$203,140.04....IF PAYMENT IS NOT RECEIVED IN THIS OFFICE WITHIN THIRTY DAYS, WE WILL BE FORCED TO MAKE RECOMMENDATION THAT YOUR DEPARTMENT OF TREASURY AUTHORITY TO WRITE CUSTOMS BONDS BE CONSIDERED FOR SUSPENSION."

C. LETTER DATED NOVEMBER 13 TO REGIONAL COMMISSIONER GRIFFIN FROM W A C STUART, MANAGER, FACILITATION INTERNATIONAL AFFAIRS, AIR CANADA, ACKNOWLEDGING GRIFFIN'S LETTER OF NOVEMBER 7 AND STATING THAT AIR CANADA IS "WELL AWARE THAT CERTAIN AMOUNTS OF MONEY ARE OWED TO THE US GOVERNMENT FOR SERVICES RENDERED" BUT THAT INTERPRETATION OF AGREEMENT IS BEING DISCUSSED BY GOVERNMENTS AND "IT IS OUR UNDERSTANDING ALL BILLINGS WOULD BE HELD IN ABEYANCE UNTIL SUCH TIME AS AN INTERPRETATION OF THE AGREEMENT IS FINALIZED." LETTER AFFIRMS AIR CANADA'S WILLINGNESS TO PAY FOR OVERTIME SERVICES ON SUNDAYS AND HOLIDAYS BUT THAT WITH RESPECT TO "OTHER AMOUNTS FOR NIGHTS ON WEEKDAYS, WE MUST AWAIT THE INSTRUCTIONS OF OUR OWN GOVERNMENT WHICH IS OPERATING WITHIN THE TERMS OF THE AGREEMENT BY NEGOTIATING WITH THOSE RESPONSIBLE IN WASHINGTON." LETTER REQUESTS THAT GRIFFIN RECONSIDER HIS THREAT TO DENY REQUESTS FOR WEEKDAY OVERTIME SERVICES "AS AIR CANADA IS NOT ATTEMPTING TO DELAY PAYMENT" BUT ONLY ATTEMPTING TO HAVE AN INTERNATIONAL AGREEMENT INTERPRETED FOR FUTURE USE".

3. EMBASSY IS POUCHING FULFORD'S LETTER AND ENCLOSURES
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TO ORTMAN (STATE/EB/TT/OA).

4. REQUEST GUIDANCE ASAP RE PROBLEM OUTLINED IN
PARA 2 ABOVE.
JOHNSON

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Message Attributes

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Draft Date: 29 NOV 1974
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Decaption Note:
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Disposition Authority: garlanwa
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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Disposition Reason:
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